



COUNCIL WORK SESSION

Tuesday, September 25, 2012

6:15 p.m.

Coon Rapids City Center

Conference Room 1

Call to Order

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. County-Wide Voting Equipment System
2. Metropolitan Consortium of Community Developers' (MCCD) "Open to Business" Program
3. Home for Generations - Phase II
4. Water Restoration Process

Other Business

Adjourn



City Council Work Session

1.

Meeting Date: 09/25/2012

Subject: Voting Equipment

From: Cathy Sorensen, City Clerk

INTRODUCTION

Cindy Reichert, Elections Manager for Anoka County, will be present at the work session to outline the County's proposed voting equipment replacement process.

DISCUSSION

Cindy Reichert will present a proposal for the effective structure for division of election duties and shared financial support of a County-wide voting equipment system.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Excellence in Government** section of the 2030 Strategic Vision in the following way: by ensuring voting equipment is current and operational.

RECOMMENDATION

No action is necessary at this time. This is for Council information only.

Attachments

Anoka County Memo

Statute Summary



ANOKA COUNTY ELECTIONS AND VOTER REGISTRATION

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MEMORANDUM

TO: Coon Rapids City Council Members

FROM: Cindy Reichert, Anoka County Elections Manager

SUBJECT: County-wide Cooperative Elections Agreement

DATE: September 19, 2012

A voting equipment system is comprised of many components that work together to define ballots, cast and count votes, report, transmit, and display election results, and produce election audit information. The system includes ballot counters, ballot boxes, ADA compliant ballot markers, various software and hardware programs, servers, modems, and other ancillary system components.

The system currently in use in all precincts of Anoka County is the "Accuvote Precinct Optical Scan System" purchased in 2000 from Global Election Systems. That purchase was based on a shared ownership model and required each city in Anoka County to purchase ballot counters and ballot boxes for use in the city voting precincts. The County also purchased several ballot counters to use as back-ups should any of the city-owned equipment need replacement, and has since purchased several reconditioned ballot counters to ensure successful operation of elections through calendar year 2012. The county has continually maintained responsibility for components used county-wide, like system software, servers, and modems.

The time has come to replace the system. The equipment and its software run in a DOS platform that is no longer supported, and new units and parts are no longer available in the marketplace. The most unstable component is our system server which also operates on a DOS platform. That server cannot be replaced and the software that drives the system will not run in a more modern environment. It is imperative that the entire voting equipment system be replaced at the earliest opportunity.

Anoka County has been working toward a complete system replacement scheduled for early 2013. Our staff has collaborated with Election Managers of several other MN Counties, and with the Office of the Secretary of State to determine our needs and options. We've also procured grant funds issued through the Help America Vote Act to partially offset the cost of the replacement. Changes in election law, technology and equipment certification standards have affected not only the technology we use, but the business model of system vendors. As a result, costs have risen considerably.

Our planning has required us to consider many factors and we've worked to engage our partner cities and school districts in discussion. The result is a proposal to enter into a Joint Powers Agreement which addresses not only the equipment purchase itself, but also establishes a model for delivery of election services within our county.

Process for Proposal Development

In 2010 County election staff organized the “ACE Work Group” comprised of city and school district election administrators. Together we performed a systematic examination of the processes, responsibilities and obligations of each party to Anoka County’s election system. We looked at administrative and technical processes, discussed how election services could be delivered in the most logical and cost-effective way, and implemented organizational and procedural improvements in our precincts and respective offices. Throughout the study and planning process the following basic premises were considered by our participants:

- The electoral process is the bedrock of democracy and must be administered with the utmost level of professionalism and integrity
- Government should provide necessary services in an efficient and effective manner at the lowest possible cost
- Solutions developed must ease administrative burden and control the cost of services
- The division of duties between county and local governmental units must be logical and effective
- System security and legal defensibility must be maintained
- Cost-sharing models to support the voting system must be equitable for all parties

We also developed a cost sharing proposal for the next equipment purchase that goes beyond the initial capital purchase and provides on-going support to ensure the future integrity of the system.

Following development of the ACE Work Group proposal, the “Anoka County Voting Equipment Task Force” was convened. This group, comprised of city and school administrators and board members, has met twice in 2012 to review, discuss, and adjust the plan. We are now ready to propose its adoption.

Proposed Multi-Jurisdiction Election Agreement

The ACE Workgroup and Anoka County Voting Equipment Task Force are recommending adoption of an agreement between election jurisdictions in Anoka County that establishes Anoka County as the sole owner of the voting equipment system and calls for an annual fee to be paid to the county by cities and school districts to supplement system costs.

The model used for our last system purchase separated ownership of the system into various pieces and parts, and did not address issues related to the system as a whole such as maintenance, required software and hardware upgrades, and replacement of non-functioning units. Establishing Anoka County as sole owner allows us to more effectively manage the vendor contracts and administrative tasks that apply county-wide.

Rather than transferring ownership of individual components to our cities and schools, the county would collect a fee to supplement system costs. The proposed fee will be based on actual (and defined) capital and operating costs of the voting equipment system with cities paying 30% of the total cost and schools paying 15%, leaving the county with responsibility for 55% of the total cost. Within those percentages, the cost to each individual city and school district will be based upon their population at the time of the 2010 census.

We are also recommending that the agreement include provisions to address other election duties and responsibilities.

Statutes require the Office of the Secretary of State to develop a cost sharing plan for jurisdictions that share the same ballot. That plan allows cities to invoice school districts according to a complex formula for services that

are not well defined. Jurisdictions can choose to use either the OSS cost sharing plan or share costs according to a negotiated agreement, as long as that agreement addresses all expenses included in the OSS plan.

Our recommendation is to include language in our agreement that addresses each election duty spelled out in the OSS cost sharing plan. Both cities and schools would contribute their share to the county-wide system via the annual fee outlined above. The contribution of 15% of the total cost of the election system from schools effectively reduces the amount cities would be responsible for from 45% to 30%. In turn, cities would be prohibited from invoicing the schools for the "other election costs" specified in the agreement. This formula recognizes each party's statutory obligation to share costs, simplifies the fee structure, eliminates the flurry of potentially disparate invoices, and allows all parties to plan for a relatively stable budget expenditure each year.

2013 Voting Equipment Purchase

Instability in the marketplace has led to a crisis in development and manufacturing of voting equipment in the United States. New laws were put into place with the adoption of the Help America Vote Act and a new federal agency, the Election Assistance Commission (EAC), was created to oversee voting equipment certification and distribution of federal grants for voting equipment replacement. That agency proved ineffectual and certification of equipment was at a stand-still for several years. In the meantime, a series of corporate acquisitions left just a handful of vendors in business, seriously reducing competition.

As a result, Minnesota (which requires all voting equipment to meet federal certification standards) has not certified "next generation" voting equipment. We are currently in a certification application "blackout" time period that will lift on December 1, 2012. We expect to see applications to our state from at least two voting equipment manufacturers in December. Once our choices have been established we must act quickly to make the purchase so that our new system can be fully operational in time for the fall 2013 local elections.

Purchase and Agreement Approval Timeline

Timing of the certification and subsequent equipment purchase affects our agreement approval timeline. Though our cities and schools have expressed agreement in concept, specific system costs will not be known until early 2013. In the meantime, detailed estimates have been prepared and forwarded to each city and school district in Anoka County to include in their 2013 budget. Members of the Anoka County Board of Commissioners have been consulted throughout the process and are supportive of the efforts and recommendation made by the Work Group and Task Force. The County budget has also been structured to incorporate all elements of the equipment purchase and cost-sharing proposal.

The County Attorney's office is working to draft the language of the agreement and will be providing a recommendation regarding the agreement approval timeline very soon. With local elections being held in November and new officers taking their seats in January, we believe it is important to establish at least preliminary approval of the plan before year-end so that we are ready to act very early in 2013.

Attachments: Summary of Proposed Agreement Features
Duties and Responsibilities of Each Party to the Agreement
Statutory Provisions Regarding Division of Election Costs

Summary of Proposed Agreement Features

General Information and Benefits

- Parties: County, Cities, Schools
- Recognizes statutory responsibilities of each party
- Allows for management of county-wide system as a whole
- Standardizes cost-sharing for all jurisdictions in the county
- Simplifies billing structure and minimizes charge-backs between jurisdictions
- Provides platform for consistent budget planning year to year
- Considers most logical division of duties (county-wide v local, city v school)
- Eliminates need for secondary equipment lease agreements between jurisdictions (odd/special)

Equipment System Capital Purchase

- County procures and owns system and all components
- Cities store precinct equipment
- Government partners (cities and schools) reimburse county for part (45%) of cost
 - Each City pays to county an amount equal to 30% of net capital cost after HAVA grant funds expended multiplied by the proportion of total Anoka County population residing in that city at time of 2010 census
 - Each School District pays to county an amount equal to 15% of net cost after HAVA grant funds expended, multiplied by the proportion of total Anoka County population residing in that district at time of 2010 census
- Payment pro-rated over 10 years (2013 through 2022)
- Payments due to county annually September 1st (2013 payment due upon receipt of invoice)
- Net cost amount TBD after purchase early-2013 (estimates have been provided for budget purposes)

Equipment System Operating Costs

- County administers contracts for maintenance and software licenses on which fee is based
- Government partners (cities and schools) reimburse county for part (45%) of actual cost of maintenance and software license contracts
 - Each City pays to county an amount equal to 30% of annual cost of system maintenance and licenses, multiplied by that proportion of total Anoka County population residing in city at time of 2010 census
 - Each School District pays to county an amount equal to 15% of annual cost of system maintenance and licenses multiplied by that proportion of total Anoka County population residing in city at time of 2010 census
- Payments due to county annually September 1st

Agreement Addresses the Following Election Duties, Responsibilities and Cost Allocations

- | | |
|---|---|
| • Ballot Preparation and Printing | • Contracted Election Administration Agreements |
| • Voting Equipment Programming | • County Equipment Lease and/or Programming Services Outside Contract |
| • Voting Equipment Testing | • Use of software for logistics and operation of elections |
| • Preparation of Polling Places | |
| • Absentee Ballot Postage | |
| • Transportation of Ballots and Election Supplies | |
| • Election Judge Administration | |

Duties and Responsibilities of Each Party

Election Categories	Category A:	Federal Offices State Offices or Constitutional Amendments Judicial Offices County Offices or Ballot Questions Soil and Water District Offices or Ballot Questions
	Category B:	Municipal & Township Offices or Ballot Questions
	Category C:	School District Offices or Ballot Questions
	Category D:	Hospital District Offices or Ballot Questions

County Responsibilities

Except as otherwise provided in the contract or required by statute, the County shall be responsible for the purchase and on-going maintenance of the Voting Equipment System as defined herein.

For all category A, B, C and D elections conducted in or by Anoka County, Anoka County shall:

- Provide to the Governmental Entities those components of the Voting Equipment System necessary to ensure suitable and operational equipment is available in each precinct of the election.
- Provide programming services for all components of the voting equipment system including ballot counters, ballot markers, electronic poll books, and other components of the voting equipment system used to mark, count, record or report election returns and statistics.
- Perform programming and testing of the State Election Reporting System interface, subject to policies of the State.
- Develop a voting equipment testing plan according to statutory requirements for each election
- Provide ballot design and layout services, and arrange for the printing of ballots to be used in the elections
- For each Governmental Entity, determine that proportion of the ballot devoted to offices and questions for that entity as a percentage of the total number of column inches on the ballot, and provide an invoice to the Governmental Entity for that share of the cost of ballot printing, paper and normal delivery charges.
- Pay the cost of postage for all domestic mailed absentee ballots cast in the county and absentee ballots cast under the Uniformed Overseas Citizens Absentee Voting Act (UOCAVA) except those absentee postage costs incurred by Municipalities designated to administer absentee voting laws under M.S. 203B.05.

Municipal Responsibilities

Throughout the duration of the contract, each municipality shall be responsible for storage of the ballot counters, ballot markers, and ballot boxes assigned by the county to that municipality. Municipalities shall make those system components available to other entities assigned their use by the county. Municipalities shall also utilize county provided software to track the assignment, deployment, chain of custody, and associated logistical operations of said equipment in Anoka County.

For all category A and/or B or D elections the Municipalities shall:

- Upon receipt of the county equipment testing plan, perform all duties and assume all costs associated with the production of test decks, and conduct of pre-election and post-election tests and audits of precinct voting equipment
- Perform all duties and assume all costs required to arrange for the use of polling places in the manner required by Minnesota election law, for ensuring the physical set up of rooms and furnishings are conducive to the voting process, and for ensuring that all necessary equipment and supplies are delivered to the polling place for use on Election Day.
- Pick up ballots, supplies and equipment from the Anoka County Elections and Voter Registration Office in Anoka and other storage locations that may be arranged from time to time, and transport them to and from the polling place.
- Perform all duties and assume all costs related to recruiting, hiring, and paying Election Judges for all hours served including, training, testing, election day assignments, and any other work assignments associated with the election.
- Upon receipt of county-issued invoice, pay that portion of the cost of ballot printing, paper and normal delivery charges incurred by the Municipality.

School District Responsibilities

For all elections which include only category C offices and questions, the School District shall:

- Upon receipt of the county equipment testing plan, perform all duties and assume all costs associated with the production of test decks, and conduct of pre-election and post-election tests and audits of precinct voting equipment
- Perform all duties and assume all costs required to arrange for the use of polling places in the manner required by Minnesota election law, for ensuring the physical set up of rooms and furnishings are conducive to the voting process, and for ensuring that all necessary equipment and supplies are delivered to the polling place for use on Election Day.
- Pick up ballots, supplies and equipment from the Anoka County Elections and Voter Registration Office in Anoka and other storage locations that may be arranged from time to time, and transport them to and from the polling place.
- Perform all duties and assume all costs related to recruiting, hiring, and paying Election Judges for all hours served including, training, testing, election day assignments, and any other work assignments associated with the election.
- Upon receipt of county-issued invoice, pay that portion of the cost of ballot printing, paper and normal delivery charges incurred by the Municipality.

STATUTORY PROVISIONS REGARDING DIVISION OF ELECTION COSTS

204B.32 Subd. 2

Statute outlines responsibility for paying election-related expenses. Provides for cost sharing among jurisdictions sharing a single ballot according to voluntary agreement between parties, or according to Secretary of State Allocation Procedures.

204B.32 ELECTION EXPENSES; PAYMENT.

Counties shall pay:

- compensation for personnel performing elections duties on behalf of the county
- the cost of printing the state primary and general election ballot
- the cost of printing the county primary and general election ballot
- all necessary expenses incurred by county auditors in connection with elections
- all expenses related to special county elections.

Municipalities shall pay (subject to Subd. 2):

- the compensation prescribed for election judges and sergeants at arms
- the cost of printing the municipal ballots
- providing ballot boxes
- providing and equipping polling places
- all necessary expenses of the municipal clerks in connection with elections

School districts shall pay - Non-state election year (Odd):

- the compensation prescribed for election judges and sergeants-at-arms
- the cost of printing the school district ballots
- providing ballot boxes
- providing and equipping polling places
- all necessary expenses of the school district clerks

School districts shall pay - State election year (Even):

- printing the school district ballots
- providing ballot boxes
- all necessary expenses of the school district clerk

Secretary of State Allocation Procedures (204B.32, Subd. 2)

Cost of items listed below shared by jurisdictions on the same ballot

- salaries of election judges
- postage for absentee ballots and applications
- preparation of polling places
- preparation and testing of electronic voting systems
- ballot preparation (programming, layout, proofing and printing)
- publication of election notices and sample ballots
- transportation of ballots and election supplies
- administrative expenses of auditor, municipal clerk, school district clerk

Formula: Share = (total election costs) x (% voters in jurisdiction) x (% of ballot)



City Council Work Session

2.

Meeting Date: 09/25/2012

Subject: Consider City's Participation in Open to Business Program

From: Matt Brown, Community Development
Specialist

INTRODUCTION

The Council is asked to consider the City's participation in the Metropolitan Consortium of Community Developers' (MCCD) "Open to Business" program, which offers technical assistance and financial resources to business owners.

DISCUSSION

Staff initiated a meeting with representatives from MCCD to discuss the possibility of the City's participation in its Open to Business program. The program provides prospective and existing entrepreneurs with free one-on-one counseling with a business advisor. This is an opportunity to help business owners with planning and organizing their business ideas, financial management, marketing, regulatory compliance and leasing or purchasing property. MCCD's business advisor would hold "office hours" at city hall once per month for walk-in appointments. Interested entrepreneurs could also schedule appointments at other times by contacting MCCD. In addition, participating in Open to Business would allow businesses in the City to access MCCD's small business loan program, which provides capital to start or grow a business. MCCD can also draw on its partnerships with area banks to help businesses obtain bank loans and revolving lines of credit. MCCD's loan fund is generally geared toward businesses that have a legitimate business plan, but have difficulty securing traditional bank financing. The City, through its HRA fund, could offer additional "participation" loans to businesses seeking financing from MCCD for working capital or fixed assets and further leverage the loans provided by MCCD. In Brooklyn Park, MCCD provides up to a \$25,000 loan and the City provides an additional \$25,000 loan. It should be noted that these loans do carry a higher rate of risk and some loss is anticipated. The loans terms include a higher rate of interest to reflect that risk, typically 7-10%.

The cost for the City to participate in Open to Business is \$15,000 per year. Several cities in the metro area, primarily in Hennepin County, have participated since the program's inception in 2010. Dakota and Carver Counties are considering participation. Provided the program succeeds in Coon Rapids, it could be expanded throughout Anoka County in the future. The Cities of Brooklyn Park and Minnetonka, in particular, have experienced success, with large numbers of businesses receiving consultations and obtaining financing.

Staff recommends that the City participate in Open to Business. The City's existing economic development resources are largely oriented toward manufacturing businesses and redevelopment projects, rather than small, local businesses. Because a large proportion of new jobs created in the City will stem from expansion of existing businesses, it is important to provide resources to facilitate growth of small businesses, which may be more likely to locate in redevelopment projects.

Sufficient funds exist in the HRA account to cover the cost of the \$15,000 annual fee. However, Staff proposes approaching local financial institutions and the Metro North Chamber to cover a portion of the annual cost.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Community Development and Redevelopment** section of the 2030 Strategic Vision in the following way:

Provide resources to existing and new businesses to make investments in the community and stimulate job growth.

RECOMMENDATION

Staff requests feedback from the Council on participation in the Open to Business program. If the Council wishes to proceed, staff will negotiate a contract with MCCD for the Council to consider at an upcoming meeting and seek outside funding sources.



City Council Work Session

3.

Meeting Date: 09/25/2012

Subject: Home for Generations - Phase II

From: Kristin DeGrande, Neighborhood
Coordinator

INTRODUCTION

The City completed its fifth house remodel through the Home for Generations program earlier this year. The City Council is now asked to consider moving to Phase II of the Home for Generations program.

DISCUSSION

The Home for Generations program has successfully remodeled five houses and showcased them to nearly 8,000 residents over the past three and a half years. The housing economy in Coon Rapids has since become stronger with a lower supply of houses on the market, less days spent on MLS before selling, and an increase in the average median sales price.

A preliminary outline of Home for Generations phase II guidelines was brought to a Council work session in spring of 2011. Revisions have been made to that document based upon that discussion. This program would now focus resources towards providing incentives to private homeowners to complete large remodels at their own homes. It is proposed that HFG phase II will offer technical assistance to promote good design, a dedicated Building Inspector for each project, and financial incentives such as a portion of building permit costs being refunded upon completion and a property tax (city's portion) rebate for five years. This program is intended to spur private investment at a time when the housing economy is starting to rebuild and stabilize.

The funding for phase II is anticipated to come from either the Housing and Redevelopment Authority, the Mortgage Assistance Foundation or the DDRC donation for housing related projects.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the Housing/Neighborhoods section of the 2030 Strategic Vision in the following way: to promote continued investment in the city's housing stock and stabilizing its neighborhoods.

RECOMMENDATION

Staff is requesting direction from the Council to proceed with the development of Home for Generations phase II.

Attachments

Home for Generations Phase II Guidelines

Home for Generations II

Homeowner Re-investment

Program Concept

March 5, 2011

Updated May 24, 2011

Updated April 19, 2012

Goals of Program

- Encourage private, major improvements to single-family homes to make them more functional for contemporary households.
- Promote reinvestment in other homes in the surrounding neighborhood and revitalize the City's existing neighborhoods.
- Encourage high-quality, highly aesthetic construction that increases the value of homes and neighborhoods.
- Retain City residents and attract new residents, particularly young families, to the City.

Eligible Properties and Applicants

- Must be a current home owner in Coon Rapids.
- Must reside at the home to be remodeled as their primary residence.
- Must maintain homestead status at the proposed remodeled home.
- Eligible home must have been built prior to 1990.
- The property will no longer be enrolled in the program if: the property is sold, is no longer the applicant's primary residence, becomes non-homesteaded or rented out.

Eligible Improvements

In order to qualify, total project cost must exceed \$35,000 and the scope must include at least one of the following project types:

- **Addition of Living Space.**
 - Building an addition to the house, including a 3 season porch as defined by building code
 - Finishing previously unfinished space in the basement or attic
 - Building a covered front porch and/or enclosed entry, decks are not eligible
 - Conversion of garage space into living space, and in this scenario, replacement of a new garage is eligible
- **Major Remodeling.** Major kitchen, bathrooms or basement remodels, addition of a new bathroom, or reconfiguration (moving around of walls) of existing rooms.

Other types of improvements such as but not limited to: siding, windows, mechanical updates, and roofs will qualify, but only in conjunction with one or more of the eligible improvements listed above.

Components of Program

1. Architectural/Landscaping Assistance

- Require H4G2 recipients to participate in architectural / design consultation – to assist in developing a scope of work and encourage good design.
- City will cover majority of the cost of architectural / design consultation to homeowners for planning major improvements. It is anticipated that the property owner/applicant would contribute a \$25 co-pay and the city will cover the balance (approximately \$250).
- Partially cover cost of consultation with landscape architect to provide front yard landscape design. Would anticipate a co-pay arrangement for this service as well to encourage good design and increased curb appeal.
- \$5,000 (proposed) annual budget maximum.

2. Building Permit Process

- Minimum project value of \$35,000 must be verified by the Building Official.
- Streamlined plan review given to program applicants.
- A dedicated inspector will be assigned to each project – this building inspector will be the applicant's point of contact for any construction or building code related questions.
- 50% of building permit fees will be rebated at the completion of the project. It is anticipated that most program recipients will in turn use this for project upgrades, appliances, or carpeting.
- \$5,000 (proposed) annual budget maximum.

3. Tax Rebate/Refund

- 5-year property tax rebate of entire City portion of taxes, up to \$1,000 per year.
- Property owner must enter into an agreement with the City regarding program participation, eligibility and expectations.
- Property must continue to have a homestead status to receive the annual tax rebate.
- \$20,000 (proposed) annual budget maximum.

4. Other

- Link participants to other financial or remodeling resources (i.e. Mortgage Assistance loan programs, Planbook remodeling ideas, other loans and Remodeling Advisor Services offered by the Housing Resource Center and the Center for Energy and Environment, any other available tax incentives or tax and/or utility rebates, use of local liquidators and building material outlet centers, etc.).
- Applications will be accepted on a first come, first served basis until funds are depleted.
- Require participation in a future city Home Remodeling Tour to showcase the improvements made and motivate other homeowners to make similar investments in their properties.

Funding Sources for H4G2

- \$20,000 annually from HRA fund for tax rebate
- \$5,000 annually from HRA to fund permit rebate
- \$5,000 annually from HRA fund for architectural consultations
- Alternative Sources
 - Mortgage Assistance Foundation
 - DDRC donation for housing related projects



City Council Work Session

4.

Meeting Date: 09/25/2012

Subject: Water Restoration Process

From: Marc Nevinski, Community
Development Director

INTRODUCTION

Council wished to review and discuss the water restoration process used to restore water service to foreclosed and vacant properties. This memo provides background and history, summarizes the process and the challenges of the program, and asks for feedback from Council on the program.

DISCUSSION

Why Water Restoration Process

The foreclosure crisis heavily impacted communities in 2008, including Coon Rapids. That year, the City experienced over forty homes flooded due to damaged water pipes. In September of 2008, to protect the most vulnerable housing stock, the City implemented an ordinance explicitly authorizing water to be turned off to properties that were vacant, unsecured, uninhabitable, lacking gas or electric utilities, had failed plumbing systems, or otherwise exhibited unsafe or unsanitary conditions. The ordinance further required that an inspection be made of the property before the water supply is restored. The number of flooded properties dropped to five in 2011. 369 Water Restoration permits were issued in 2011, 313 in 2010, and 326 in 2009.

The goal of the water restoration process is to ensure that properties are stable, safe, secure, and in such a condition that water can be supplied to the property. It is not uncommon to find foreclosed homes with fixtures, electrical and mechanical systems removed, resulting in unsafe or even dangerous conditions. A secondary benefit is that the process helps ensure foreclosed homes, which are generally more vulnerable to distress, meet contemporary code standards when repairs are made. The process is not a point-of-sale program and does not prohibit the transfer of properties from one party to another.

How does the process work?

Attached is a flow chart showing the general process for restoring water to a property. The following narrative describes the general process.

1. IDENTIFICATION

Properties are identified through a number of different means, including monthly reports from Anoka County, utility companies, Realtors, citizens, and staff reports.

2. POSTING A PROPERTY

An identified property is posted with a blue posting stating the water will be turned off.

If an owner or agent contacts the city within 2 weeks of water being turned off, the water is usually restored unless

there are problems with the property. A waiver is signed by the owner or agent stating they will be responsible for the property and is valid for six months. Often waivers are requested by Realtors shortly before the bank takes possession.

3. RESTORATION OF WATER SERVICE

Eventually there is a need to restore water service to the property. At this point, a water restoration inspection is required. An inspector will meet an owner or agent at the property and identify problems that may negatively impact the property by turning on the water, such as a lack of heat source, or basic health or safety issues, such as dangerous venting or major electrical concerns. Corrections must be made to these items before the water is turned on. Once a property passes inspection, the inspector will turn on the water if he is able. Otherwise a water turn-on must be scheduled with Public Works. The permit application is attached and lists the items that will be looked at during the inspection.

4. FLEXIBILITY

Because it is in the City's interest to have older and damaged homes fixed up and occupied as quickly as possible, it is sometimes necessary to deviate from the prescribed process.

Early on in the program, in an effort to improve and re-occupy foreclosed properties as quickly as possible, banks/agents/contractors were only required to pull permits for corrections before the water was turned on, with the expectation that the corrections would be made. However, staff quickly discovered that the required work was very often not being completed. Subsequently, it is now rare to turn on the water without the corrections first being made.

One exception to this is with properties where major remodeling is occurring. Water can be restored prior to making corrections if:

1. A water restoration inspection is completed
2. A scope of work is prepared which includes any items found during the water restoration inspection, and
3. Necessary permits are pulled.

Challenges associated with the water restoration process

Most Water Restoration processes go smoothly, even if additional work is required. It appears that most banks, Realtors, investors, and contractors are now familiar with the program. However, there are problems that do emerge occasionally, both from the bank/agent/contractor perspective and from the City's perspective:

1. Water is somehow turned on illegally and without a water restoration inspection.
2. Waiting until closing to request the water restoration inspection.
3. Realtors or banks that opt not to complete the water restoration process prior to selling a property without disclosing or informing the buyer that the property does not have water and may need repairs.
4. The term "Water Restoration" creates confusion about the process, scope, or purpose of the program.
5. Instances of "waiver abuse" - i.e. water left on and work being done without permits
6. Instance of work being done without permit or water.
7. Lack of familiarity with (or failure to learn) the process creates frustration for banks and buyers.
8. The need for water to be on in order to conduct appraisals and inspections creates timing problems, adds costs, and takes staff time.

Conclusion

The north metro is generally considered to have been hit harder by the foreclosure crisis than other parts of the region, both in terms of the number of foreclosures and the impact to overall property and sales values. Additionally, the City's housing stock is aging; as of 2010, 40% of the housing units were over 30 years old, and another 28% were twenty to thirty years old. Therefore, it is staff's opinion that it is important for the City to pay attention to its housing stock with proactive initiatives, particularly with regard to foreclosed properties.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Housing/Neighborhoods** section of the 2030 Strategic Vision by addressing destabilizing factors in neighborhoods caused by the foreclosure crisis.

RECOMMENDATION

Action Requested

Staff would appreciate Council's feedback on this topic:

- What concerns, if any, does Council have regarding the Water Restoration process?
- Does Council feel the water restoration process has been effective in managing the City's foreclosed properties?
- Should the water restoration process continue to occur, or should it cease?
- Should a different system be implemented?

Attachments

Permit-Info
flowchart

City of Coon Rapids

Water Restoration Information Sheet

The City of Coon Rapids shuts off water to properties that are either un-occupied or without utilities. You have requested that water be turned back on at one of these properties.

Do not schedule this inspection if the home is without heat!

Please follow the instructions below for getting water restored to this property:

1. Fill out an application for a Water Restoration Inspection. This form can be found at the City Hall Inspections desk and is attached at the end of this document for your convenience.
2. Submit completed application, along with \$75 inspection fee to the Inspections Department. Cash, check or charge can be accepted at City Hall, or you can fax (763-767-6573) in the credit card verification form attached at the end of this document.
3. Schedule your inspection appointment with the Inspections Department when you submit your application and fee. If you are faxing, please call 763-767-6476 to schedule your appointment.
4. Inspections are often available for later that same business day or the following business day, depending upon availability.
5. Meet the Inspector at the house for the inspection – this is required. ***No lock boxes can be used to gain entry for Water Restoration Inspections.***
6. **If the inspection passes**, the Inspector will attempt to turn the water on during this same visit. If he is unable to turn the water on at the curbstop (buried under snow and ice, inoperable, unable to locate), you must wait until the next business day and call 763-767-6438 to schedule Public Works to come out to the property with heavier equipment and turn the water on at that time. They will be scheduled to come out to the property as soon as their availability allows, but very well could be 1-2 business days from the date of your original inspection.
7. **If the inspection does not pass**, follow the instructions on the blue sheet that the Inspector leaves with you regarding what work needs to be done or what permits need to be pulled before water can be restored at this property.

City of Coon Rapids
Water Restoration Permit

Property Address _____ Permit # _____

The Applicant is: ☐ Current Homeowner ☐ New Homebuyer ☐ Realtor ☐ Bank Representative
☐ Mortgage Company Representative ☐ Other: _____

Property Owner (if privately owned) or Bank Information (if bank owned)

Name _____ Contact Person _____

Address _____ Unit # _____

City _____ State _____ Zip _____ Phone # _____

Realtor or Bank/Mortgage Co. Representative

Business Name _____ Contact Person _____

Address _____

Number and Street Name

City

State

Zip

Phone _____ Cell _____ Fax # _____

Items/Issues that would prevent water from being restored:

Please review each item below and be sure that each has been addressed prior to inspection occurring.

*Permits are required for electrical, plumbing & mechanical work under the Minnesota State Building Code.

Please discuss any plans for corrections with the Building Inspections Dept. staff, to ensure proper permits are in place prior to beginning work.

- ☐ **Furnace** – Furnace must be operable & providing heat to dwelling.
- ☐ **Water heater** – Must be correctly installed & operable.
- ☐ **Furnace or Water heater installed without a permit or inspection** – *All plumbing & mechanical work must be permitted.
You may be required to hire a licensed contractor to inspect and pull permits for previously installed equipment per requirements of the Minnesota State Building Code.
- ☐ **Gas or Electric service** – Service must be ‘turned on’ to property.
- ☐ **Wiring/exposed wiring** – *Dwelling must not have any exposed wiring.
- ☐ **Plumbing** – Dwelling must meet the ‘**Minimum standards of habitation**’ & may not have any broken or damaged water pipes.
‘Minimum standard’ is defined as a functioning kitchen sink, lavatory sink, water closet, shower or bathtub & proper back flow prevention.
- ☐ **Severe mold issues**- A ‘Mold Remediation’ report may be required. (Please discuss plans for mold cleanup with Bldg Dept. staff)
- ☐ **Building must be weather tight** - Dwelling must not have any door or window openings that are not covered.
- ☐ **Severe structural problems** – As deemed by City of Coon Rapids Building Official.
- ☐ **Other items that could be deemed as a life safety concern.**
- ☐ **Dwelling ‘Not habitable’** – Any circumstances deemed by the Building Official that property is unsuitable for habitation.

Reason for inspection: Water Restoration at property

Other information:

Permit becomes void if inspection is not scheduled within 30 days of application. Permits issued and Inspections made by the City are a public service and do not constitute any representation, guarantee, or warranty, either implied or expressed, to any person as to the condition of the building or conformance to applicable construction codes. It is the responsibility of the applicant to call the Coon Rapids Inspections Division at 763 767-6476 to schedule an inspection. **The Undersigned acknowledges that this application has been read and that the above is correct and agrees to comply with all the ordinances and laws of the City of Coon Rapids.**

Applicant's Signature _____

Date _____

Permit Fee

Water Restoration Fee: \$75.00

Comments

Required Inspections

☐ Final



763 767-6476 Fax (763)767-6573



CREDIT CARD AUTHORIZATION FORM

Please use this form to authorize payment by credit card for permits from the City of Coon Rapids' Inspection Division.

Send or fax this form to:

City of Coon Rapids, Inspection Division
11155 Robinson Drive
Coon Rapids, MN 55433
Fax: (763)-767-6573

For permits indicated on the attached forms, please charge our (choose from the following):

Visa _____ Mastercard _____

Account Number _____ - _____ - _____ - _____

Expiration Date (Month/Year) ____/____ C.V.C.# ____ (BACK OF CARD)

Name on Card _____

Billing Address _____

City _____ State _____ Zip Code _____

Authorized Card Holder's

Signature _____ Date _____

For more information, please call (763) 767-6476

Water Restoration Process

